



HOUSE BUDGET COMMITTEE

Democratic Caucus

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Top Reasons to Oppose Republican Budget

The House Republican budget resolution actually makes the deficit worse, offers no plan to bring the budget back to balance, and adds to the growing burden of the national debt. Meanwhile, the Republican budget makes harmful cuts to critical services for the American people – including education, veterans’ services, health, and environmental protection.

1. Makes Bad Deficits Worse — The Republican budget resolution has no plan to bring the budget back to balance, and, in fact, makes the deficit \$410 billion over five years compared to current services deficit estimates. The Republican budget includes a deficit for 2006 of \$372 billion, and a deficit for 2007 of \$348 billion. These deficits mean that, under Republican policies, the five largest deficits in history will have occurred in five consecutive years. Over the next five years (2007-2011), the budget resolution calls for deficits totaling \$1.1 trillion.

Another Record Deficit

The Five Largest Deficits in History

Rank	Year	Deficit
1 st	2004	-\$412 Billion
2 nd	2003	-\$378 Billion
3 rd	2006	-\$372 Billion
4 th	2007	-\$348 Billion
5 th	2005	-\$318 Billion

2. Calls for Mounting Legacy of Debt — Since this Administration took office, it has requested and the Congress has provided four increases in the statutory debt ceiling totaling \$3 trillion. This budget resolution calls for an additional \$653 billion increase in the debt limit, and by 2011, total increases in the debt subject to limit would hit \$5.3 trillion.

Republicans Increase the Debt Limit by \$3.7 Trillion

Debt Limit Increases, Billions of Dollars

June 2002	\$450
May 2003	\$984
November 2004	\$800
March 2006	\$781
House Budget Res. Level	\$653
Total Increases	\$3,668

3. Does Not Add A Single Penny More for Labor-HHS-Education Programs — Republicans revised their resolution in an attempt to assuage concerns about its inadequate funding for domestic priorities, but in fact, they did not add a single penny in new funding. The revised resolution will include non-binding language in which the House only “recognizes” the need to increase funding for the Labor-HHS appropriations bill by \$7 billion above the President’s request – but the resolution does not actually provide that funding. It also includes a reserve fund that could, in principle, provide more funding for appropriations but *only* if offsetting mandatory spending cuts were made. Such cuts are by no means certain to occur, but if they did, they could fall on important mandatory domestic programs such as Medicare and Medicaid.

4. *Cuts Critical Services for Working Families While Protecting Narrow Interests* — The budget cuts appropriations for domestic services by \$9.4 billion relative to current services, and by \$3.2 billion below the level passed by Republicans in the Senate. Meanwhile, the budget continues Medicare subsidies close to \$60 billion for managed care providers of Medicare even though they are supposed to save Medicare money, not cost more. The resolution also includes \$228 billion over five years for additional tax cuts, part of a \$3 trillion ten-year Republican tax cut agenda.

5. *Cuts Funding for Education* — The Republican resolution cuts appropriated funding for education and related programs below current services, providing the same inadequate level as provided by the President. For 2007, that Republican level cuts funding for the Department of Education by \$2.2 billion below last year's comparable level, and eliminates 42 education programs.

6. *Cuts Funding for Veterans* — Over five years, the budget cuts funding for veterans' health care by \$6.0 billion below current services. Republicans will tout the fact that the budget raises discretionary spending for 2007 by \$2.6 billion, but these apparent gains are quickly reversed, with a cut for 2008 of \$59 million below current services, and cuts of increasing amounts in subsequent years, culminating in a cut of \$4.0 billion for 2011.

7. *Cuts Funding for Health* — The budget cuts funding for health by \$20 billion below current services over five years, the same insufficient non-emergency level provided by the President. The Republican level means cuts to priorities such as the Centers for Disease Control, 18 of 19 institutes at the National Institutes of Health, and rural health activities. Senator Arlen Specter has characterized this level of health funding as "harmful to our country." Meanwhile, as noted above, the Republican budget leaves in place \$60 billion in unnecessary subsidies to managed care providers of Medicare.

8. *Fails to Protect the Environment* — For the environment and natural resources, this budget imposes a \$25.0 billion cut relative to current services over the next five years and imposes a \$2.9 billion cut for next year alone. This is the same level as the President's budget, which cuts funding for the Environmental Protection Agency (including the Clean Water State Revolving Fund), the Army Corps of Engineers, and the National Park Service.